

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 2656-01
BILL NO.: HB 1245
SUBJECT: Insurance - Medical; Medical Procedures and Personnel
TYPE: Original
DATE: April 4, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	
Total Estimated Net Effect on <u>All</u> Federal Funds*	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Department of Conservation (MDC)**, **Department of Transportation (DHT)**, **Department of Insurance (INS)** and **Department of Public Safety - Missouri State Highway Patrol (MHP)** assume the proposed legislation would have no fiscal impact on their agencies.

Officials from the **Missouri Consolidated Health Care Plan (HCP)** assume this legislation would not fiscally impact HCP since the interest penalty for health plans already exists and the new provision of this bill prohibits health care providers from charging interest or fees until 30 days after a final determination.

Officials from the **Department of Social Services (DOS) - Division of Medical Services (DMS)** assume this proposal would have no fiscal impact on its agency. DMS administers a managed care program which contracts with health maintenance organizations (HMOs) for the purpose of providing health care services through capitated rates. Missouri Medicaid's contracts with managed care plans currently require the plans to process claims as mandated by the federal Balanced Budget Act. DMS assumes any costs incurred by managed care contractors because of mandated Federal or State laws could have an affect on the administrative costs included in future bids. Although these HMOs will be subject to the regulations in this legislation, because of current contract requirements DMS does not assume a fiscal impact due to the bill.

In addition, there is no fiscal impact to DMS due to Section 413.200 of this proposed legislation. Medicaid covered services rendered to an eligible recipient are not billable to the recipient.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
	\$0	\$0	\$0
<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
	\$0	\$0	\$0

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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This bill modifies the "prompt pay" provisions of Section 376.383, RSMo, by requiring health insurers and similar entities to forward to the enrollee and the person entitled to reimbursement notices of denial to pay a claim and notices that additional information is needed to process the claim. Under the bill's provisions, the notice of denial is considered a final determination unless the enrollee files an appeal in accordance with the terms of the enrollee's health care plan. When an enrollee files an appeal, the insurer is required within 45 days to pay the claim or forward a notice of denial to pay the claim.

In addition, the bill prohibits health care providers from charging late fees or interest on a patient's unpaid balance until 30 days following a final determination of the individual's health care benefits. A health care provider that violates this provision is guilty of a class A misdemeanor.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Missouri Department of Conservation
Department of Transportation
Department of Insurance
Department of Public Safety
Missouri State Highway Patrol
Missouri Consolidated Health Care Plan
Department of Social Services
Division of Medical Services



Jeanne Jarrett, CPA
Director
April 4, 2000